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Democrats and Free Trade
They liked NAFTA, why not CAFTA?

A bruising trade battle, the toughest in years, is shaping up in Congress over the Bush administration's plan for a free trade pact with Central America. It need never have turned into the partisan slug-fest that is expected as the Senate Finance Committee opens action this week on the U.S.-Central American Free Trade Agreement, known as CAFTA.

Modeled after NAFTA - President Bill Clinton's largely successful North American Free Trade Agreement with Canada and Mexico - CAFTA would eliminate tariffs on U.S. exports to Costa Rica, El Salvador, Honduras, Guatemala, Nicaragua and the Dominican Republic, while locking in the trade preferences those countries already enjoy in the U.S. market.

The deal would enable Central American nations to combat China's rise as a textile export giant in this hemisphere, protecting the garment business they built over the past 15 years. Central America's small manufacturers say CAFTA would open up new investment opportunities and create jobs. Without it, they say, they may lose half of their export business.

In the United States, the big gains would come to wheat and grain farmers, who would find new markets. But U.S. textile and sugar industries fear they would be hit hard by CAFTA, and free trade-phobic labor unions predictably oppose it.

Also opposing it at home are congressional Democrats, appealing to the worst protectionist instincts among their constituencies, especially labor. Eliminating barriers to free trade may create initial imbalances, which have to be corrected, but it ultimately benefits workers on both sides of borders by stimulating commerce and creating jobs. Centrist Democrats who once supported free trade are doing themselves and the nation a disservice in opposing CAFTA out of irritation with Republican President George W. Bush. And tying approval of CAFTA to legislation pressuring China toward a more flexible exchange rate to make its textile exports less competitive, as some House leaders suggest, is an absurd linkage.

Former President Jimmy Carter has endorsed CAFTA and urged Democratic leaders to do the same, arguing that failure to pass the pact would undermine "fragile" Central American democracies and force them to erect protectionist barriers to U.S. goods. He's right. Sen. Hillary Rodham Clinton, whose husband persuaded his party to back NAFTA, should abandon her noncommittal on CAFTA and join in Carter's free trade stand.